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SUBJECT: SECC STERN'S VISIT TO BRAZIL HIGHLIGHTS AREAS OF POTENTIAL
COOPERATION IN THE LEAD UP TO COPENHAGEN

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REF:

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1. (SBU) SUMMARY. Special Envoy Todd Stern's visit to Brazil provided a valuable opportunity for him to meet with a variety of Brazilian counterparts and hear the range of views within Brazil regarding the on-going climate change negotiations. Stern's conversations highlighted a strong Brazilian interest in the recently signed U.S. - China MOU; increasing the visibility of joint cooperative efforts to confront this global problem; a subtle shift in the GOB position on REDD and carbon offsets; and the need on the part of the G-77 for strong signals of the developed world's intentions. The conversations elaborated several points of agreement and have created an opening for the USG to continue this productive dialogue with a potentially valuable partner in the UNFCCC negotiating process. END SUMMARY.

2. (SBU) From August 4th through 6th Special Envoy for Climate Change Todd Stern visited Brazil to talk with a variety of governmental and non-governmental interlocutors about the on-going UNFCCC climate negotiations and the role that Brazil and the United States can play in addressing the global challenge of combating climate change. Special Envoy Stern held meetings in Brasilia and Manaus followed by a press engagement in Sao Paulo.

3. (SBU) In all of his meetings, Special Envoy Stern praised Brazilian efforts thus far and pointed out that confronting the climate change problem presents an opportunity for Brazil, both diplomatically and economically. He pointed out that Brazil's clean, predominantly non-fossil fuel based energy matrix positions it as a natural leader in this arena. He challenged his governmental counterparts to continue their work on climate issues and leverage their advantages to become global leaders on the issue. Stern also stressed the importance of pragmatism; science-based approaches to climate change mitigation; emissions reductions for developed nations; reduction in emissions growth for developing nations; financing; and verification in reaching a successful conclusion in Copenhagen.

GREAT INTEREST IN THE U.S. - CHINA MOU

4. (SBU) Many of Stern's governmental interlocutors expressed great interest in the recently signed U.S. - China memorandum of understanding (MOU) to enhance cooperation on climate change, energy, and the environment. Both the Minister of the Environment, Carlos Minc, and the Minister of External Relations, Celso Amorim, asked Stern if and when the United States would consider signing a similar MOU with the government of Brazil (GOB). Amorim even asked

his staff to draft sample language of such an agreement for Stern to review. The Governor of Amazonas, Eduardo Braga, also commented that the MOU generated interest among the states within the Brazilian Amazon.

15. (SBU) In each case, Stern welcomed the Brazilian desire to work closer with the United States in confronting global climate change. He commented that an MOU similar to that signed with China could be a good start.

INCREASING VISIBILITY AND ENGAGEMENT

16. (SBU) Beyond discussion of the U.S. - China MOU, Stern's counterparts repeatedly expressed an interest on the part of the GOB to become further involved in the on-going climate discourse in a visible way. Minc suggested that the United States and Brazil host a ministerial-level meeting of their Common Agenda for the Environment (CAE) in September, with a specific focus on climate change. (NOTE: There is no indication that Minc coordinated this plan with the Ministry of External Relations, the Brazilian lead on the CAE. END NOTE.) Amorim also expressed an interest in hosting a meeting in Brasilia as part of the on-going climate discussions. He suggested that the Major Economies Forum (MEF) format was too limited, but that perhaps they could host a MEF-plus meeting that would include greater participation by African and island nations. Amorim also commented that it is key not only that the United States and Brazil work together, but that they be "seen" working together on the issue. For this reason he asked Stern to participate in a press conference on August 6th with Undersecretary Vera Machado and Division Head Luiz Figueredo Machado. Stern complied with this suggestion.

REDD AND OFFSETS

17. (SBU) During the visit many GOB officials, and other players with
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significant political insight, indicated that the GOB's view on REDD, carbon offsets, and climate change more broadly is shifting. They pointed to Lula's apparent decision to create a Secretariat for Carbon Credits within the executive office of the President as the strongest sign of this shift. Officials from the Ministry of the Environment and from Governor Braga's office also commented that they have recently noticed that the concept is being more widely accepted in inter-ministerial or federal-state conversations. Braga believes that he has seen definitive political signaling that President Lula has decided to become personally involved in the issue and may have already decided the direction in which he wishes the government's policy to move. Braga attributed this change to the pressure that the governors of the Brazilian Amazon have placed on President Lula. Vice-Minister of the Environment, Izabella Teixeira, concurred that the efforts of the governors have been important, but also believes climate change is becoming increasingly important to Lula as a legacy issue, and to his Chief of Staff, Dilma Rousseff, as she prepares to run for President in 2010.

18. (SBU) Despite the widely held perception of increased acceptance for REDD and Carbon Offsets, some concerns still persist. Rousseff noted that due the complexity of the issue and the need for strong commitments by all parties, she still advocated caution in determining the role that offsets would play in a final climate agreement. She and Amorim emphasized that financial transfers could not buy consensus and should not become the focus of the negotiations; rather climate change mitigation should remain the true focus, with financial transfers and considerations being one of the many aspects involved.

THE NEED FOR STRONG SIGNALS FROM DEVELOPED NATIONS

19. (SBU) Another common topic of conversation with Brazilian counterparts, including Minc, Amorim, Braga, and NGO leaders, was the need for strong and credible signals from the developed nations. Specifically, the felt that developed nations would need to both commit to ambitious targets and goals, and demonstrate that they intend to keep these commitments. The signals that were suggested varied from firm financial commitments to the developing world for

climate change mitigation to strong and verifiable mid-term goals that the developed nations could be measured against. In all cases, the key element was that without these signals the developing world, and specifically the G-77, would feel that they were being asked to potentially curb their economic growth while the developed world is allowed to continue apace without any meaningful sacrifice.

¶10. (SBU) GOB representatives also repeated that Brazil would not be willing to break with the G-77 in the climate discussion, but that Brazil could play a crucial role as a bridge between the G-77 and the developed nations.

COMMENT

¶11. (SBU) While there was no singular breakthrough in the climate debate during Special Envoy Stern's visit, it is clear that policy space exists within which Brazil and the United States can constructively work together toward a successful conclusion in Copenhagen. The face-to-face conversations that occurred during this visit helped to strengthen the on-going cooperation between our two countries. The USG is now presented with the opportunity to continue to work closely with a potentially valuable partner in the UNFCCC climate negotiations process. However, to take advantage of this opportunity the USG must continue these productive dialogues, both at a technical and political-level. By building upon the common ground identified, while also addressing the GOB's concerns regarding developed nation commitment and continued economic development, the two countries could cooperatively push the climate negotiations to the next level.

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